

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6665

BILL NUMBER: HB 1126

DATE PREPARED: Dec 15, 1998

BILL AMENDED:

SUBJECT: Individual development accounts.

FISCAL ANALYST: Jim Mundt

PHONE NUMBER: 232-9858

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill defines a community development corporation, in part, as a private, nonprofit corporation whose principal purpose includes providing housing, social services, or community based economic development projects that primarily benefit low income individuals and communities. (Current law requires that the corporation provide housing, social services, and community based economic development projects that primarily benefit low income individuals and communities.) It defines a financial institution as a bank, savings association, credit union, or any other institution regulated under Indiana or federal law. (Current law provides that only those institutions regulated under Indiana law are financial institutions.)

The bill decreases from \$1,000 to \$100 the minimum donation a corporation or an individual may make to an individual development account fund in order to qualify for a tax credit. It also provides that up to 20% of the first \$100,000 deposited each year from private donations into a community development corporation's individual development account fund may be used by the community development corporation for purposes relating to the administration of individual development accounts.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues: The provision of this bill which lowers the minimum allowable donation for purposes of qualifying for a tax credit from \$1,000 to \$100 may encourage more corporations or individuals to contribute. The bill does not change current law which provides that the total amount of tax credits allowable for all taxpayers is \$500,000 in any fiscal year. For this reason, there is no impact on the maximum revenue loss for any fiscal year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: